

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8035**

**BILL NUMBER:** HB 1721

**DATE PREPARED:** Feb 21, 2001

**BILL AMENDED:** Feb 20, 2001

**SUBJECT:** Licensing of massage therapists.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill establishes a five person state board of massage therapy. The bill provides for the licensing of massage therapists by the board. The bill specifies requirements that applicants must meet in order to be licensed as massage therapists. It also establishes guidelines for the licensing by endorsement of a massage therapist who holds a license in another state. This bill provides that a knowing violation of the massage therapist licensing law is a class B misdemeanor.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** (Revised) Expenditures required for the Board could be approximately \$10,100. This estimate includes per diem, travel, and additional reimbursement for expenditures related to official business of the Board. As amended, the bill requires the Board to adopt a licensing exam or approve an examination other than the National Certification Exam for Therapeutic Massage and Bodywork to provide to an applicant for licensure as a massage therapist. If the Board develops an examination for massage therapy licensure additional expenses could occur.

The Health Professions Bureau (HPB) also would experience additional expenditures including printing and postage associated with the licensing of massage therapists.

The HPB may require additional staff for the processing of this license. If an additional clerical assistant 3 position (COMOT 3) position were required, the additional expense would be \$29,748 in FY 2002 and \$29,067 FY 2003.

As of August 2000, the HPB employed 43 authorized full-time staff members. The HPB has requested six additional positions for the FY 2002-2003 Budget. The request included four Clerical Assistant 3 positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** (Revised) This bill would establish licensure of massage therapists. As a prerequisite to licensure, the applicant must be accredited by passage of the National Certification Exam for Therapeutic Massage and Bodywork (NCETMB), an equivalent massage examination accredited by the National Commission of Certifying Agencies (NCCA), or an exam created and approved by the Board. The NCETMB is currently accredited by the NCCA. NCETMB accredited status expires with the NCCA on December 1, 2003. If a massage therapist has been credentialed by another state within the five years immediately preceding the submission of an application to the Board, and the state has standards for massage therapists that are substantially equivalent to Indiana's standards, then the applicant would automatically qualify unless there were any additional requirements established by the Board. If a massage therapist holds a current certification from the National Certification Board for Therapeutic Massage and Bodywork (NCBTMB) or another agency that meets standards set by the NCCA then the applicant would be able to receive a license before July 1, 2002. After July 1, 2002, the applicant will be required to pass an additional Board approved examination and meet other licensing requirements of the Board.

Data acquired from the NCBTMB indicates that 327 practicing massage therapists are currently accredited by the NCBTMB in Indiana. If the fee for licensure was set to recoup the cost of an additional clerical assistant position, the fee would be \$91. The estimate does not include therapists that may have substantial equivalence in another state. The Board would be responsible for the establishment of a reasonable fee.

*Note: North Carolina recently required licensure of massage therapists. The fees set were \$150 for the initial license and \$100 for renewals every two years. Renewals are only issued to therapists who continue to take classes.*

All revenue collected from fees from the licensure of massage therapists would be collected and accounted for by the HPB and deposited in the State General Fund.

Violations of the licensure provisions would constitute a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** The bill repeals the fee involved for the required fingerprinting of massage therapists. Local law enforcement units were involved with the fingerprinting and fee collection. Localities would lose revenue as a result of the removal of the fee but would have corresponding reduction in expenditures.

With respect to a Class B misdemeanor, if additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund.

(3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Health Professions Bureau; Treasurer of State.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** National Certification Exam for Therapeutic Massage and Bodywork; National Commission of Certifying Agencies; web.philly.com.